

A Tall Story in Miami

The city's tallest building raises the question of why developers and lenders continue to build luxury condos in a widely regarded market glut.



So is it the tallest tower or not? But an even better second question: still another luxury condo? Are they kidding?

The Okan Tower raises both those questions.

The Okun project is said to be self-funded by a billionaire but lenders are regularly reported to fund ultra-luxury condos when conventional wisdom is that there's an oversupply.

For the second question about lenders, a suggested answer comes from Charles Penan, Executive Vice President of Aztec Group, who explains it to GlobeSt.com this way: "From the outside looking in, there is a perceived misconception of oversupply but the reality is that over 80% of new and proposed condo buildings in Miami have been pre-sold."

He adds that Miami has a lot going for it with its location and lifestyle and the region's tax structure.

Miami Condo Benefits Beat Other Areas

"The benefits of buying here outweigh most other major US and international markets," he says. The confusion over the \$300 million tower — slated for the corner of N. Miami Avenue and 6th Street — being the tallest here is partially because it was originally reported as topping off at 956-feet. A later figure, however, said it was really only 890 feet. That revised height would still beat out Miami's 868-foot

Panorama Tower, which currently holds the title of the city's tallest.

Developed by Istanbul-based real-estate developer Bekir Okan and his company Okan Group, the mixed-use project will have 389 condo and condo-hotel units, which will be operated as guest rooms when their owners are away. The project will also include 294 full-time hotel rooms operated by the Hilton as well as retail and restaurant space.

The developer told The Wall Street Journal that Turkish investors love Miami and will be a prime target as buyers. The developer himself was said to have fallen in love with the area's warm weather and stable government.

A third question about the tower might be how sales are going. And the latest report was that 45 units have already been reserved.